

Gov. Doc

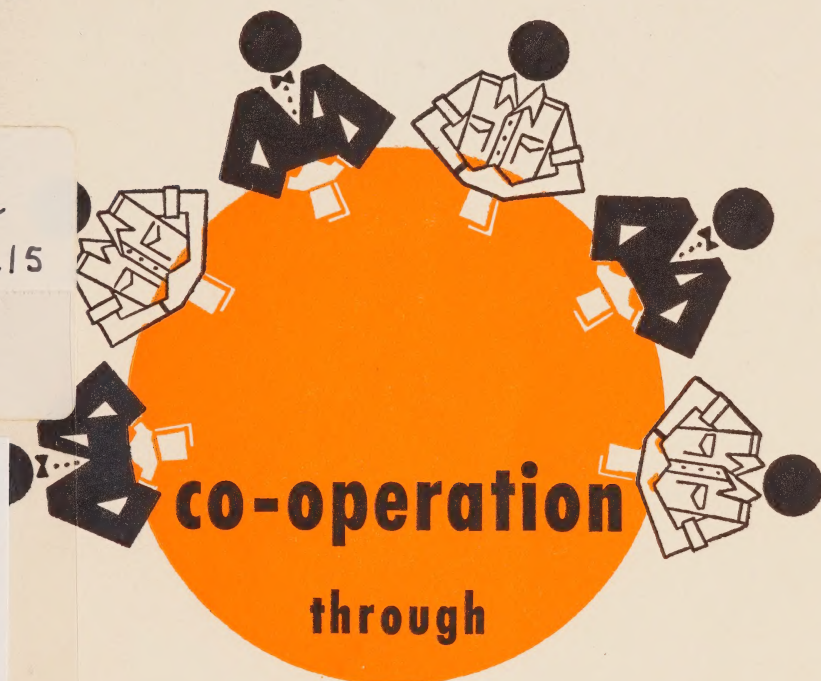
Canada. Labour, Department of.  
Labour-Management Co-operation Service

# LABOUR-MANAGEMENT

Can

L

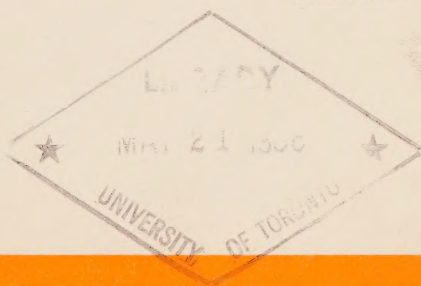
CA1h  
-58 L15



**co-operation**

**through**

## JOINT CONSULTATION



ISSUED BY THE DEPARTMENT OF LABOUR, OTTAWA





LABOUR-MANAGEMENT  
CO-OPERATION  
THROUGH  
JOINT CONSULTATION

ISSUED BY THE DEPARTMENT OF LABOUR  
OTTAWA

HON. MICHAEL STARR  
MINISTER

A. H. BROWN  
DEPUTY MINISTER




## CONTENTS

	PAGE
Foreword .....	5
Introduction .....	7
History .....	9
Joint Consultation—The Philosophy .....	12
Communication .....	15
Why Joint Consultation .....	18
The Labour-Management Co-operation Service .....	20
The Labour-Management Committee .....	22
Union and Management in Joint Consultation .....	24



## FOREWORD

This booklet is a further step in the Department of Labour's program to provide information to management and labour on joint consultation through labour-management committees. The Department of Labour has been providing this service through the Labour-Management Co-operation Service since 1947. It is hoped the booklet will be of value to those interested in this program.



Digitized by the Internet Archive  
in 2022 with funding from  
University of Toronto

<https://archive.org/details/31761117666800>



## INTRODUCTION

Labour-management co-operation through joint consultation is a means to an end. That end is to help make relationships between management and workers in a workplace harmonious, efficient and co-operative.

While the need for this co-operation in industry is readily apparent, achieving it may take much understanding and effort. Effective teamwork is the sharing of purpose by those employed in the workplace. Where there is effective teamwork each member of the team knows where he fits into the organization and why. Each understands the relationship between his job and the total production effort.

Such teamwork will not be achieved unless management and labour want it. They must be prepared to work conscientiously for it by learning to know and understand one another.

In many Canadian companies improved teamwork has been gained through joint labour-management committees. In many different types of industries these committees of labour and management representatives have contributed to improved morale, greater production efficiency, and generally improved labour-management relations.



## CHAPTER I

### History

The origins of labour-management co-operation through joint consultation can be traced to Great Britain, and a report from a Government Committee headed by J. H. Whitley, M.P. This Committee recommended the setting up of a system of joint consultation in each industry through joint union-management councils at the national, district, and local level. The first of these councils was formed in British industry in 1918.

The councils subsequently established, continued to operate with varying degrees of success between the two World Wars. It was not, however, until the production pressures of World War II presented many problems, that the practice of joint consultation became a more widespread and accepted policy in relationships between unions and management in British industry. In North America, national industrial conferences held (under states auspices) in the United States and Canada in 1919, recommended the adoption of joint councils similar to those operating in Great Britain. A few were formed but not many survived for long. Their failure resulted from the dual nature of their functions. Matters such as wages, conditions of employment, and grievances were dealt with by these joint councils, in addition to such matters as increased production efficiency, and other non-collective bargaining topics.

Employers remained cool to any plans for joint consultation because they felt that co-operation of this sort might serve to strengthen the labour unions in the extension of their collective bargaining efforts. On the other hand, trade unions in Canada

had not yet achieved general recognition in their organizing efforts and were unenthusiastic about entering into co-operative plans with the employers. The unions feared that such joint consultation might hinder the growth of the trade union movement.

Generally speaking, early attempts at joint consultation lacked the two important elements essential to the promotion of industrial teamwork; there was inadequate separate machinery for collective bargaining; and neither labour nor management were ready for this kind of co-operation through consultation. In a few industries where labour-management relations were more mature, union-management co-operation was advocated. Two union-management plans were developed in Canada. In 1921 the Joint Conference Board of the Building & Construction Industry was begun; and in 1925, Sir Henry Thornton, who was then President of the Canadian National Railways, started the CNR Union-Management Co-operative Plan which still operates. It was also in this period that mutual interest boards were established in many paper mills.

The rapid expansion of Canadian industry after 1939, was accompanied by the equally rapid growth of trade union organization, and the development of collective bargaining. The strain of accelerated war-time production imposed on a rapidly growing industrial machine brought to light the need for greater labour-management co-operation. In 1941, the Department of Munitions & Supply urged industry to set up labour-management production committees to help increase production, and offset growing labour shortages caused by the increasing needs of the Armed Services. In 1943 and 1944, the Government initiated surveys to assess the extent of the problem. One result of the findings was that a program of industrial labour-management committees was recommended. The Government then established the Industrial Production Co-operation Board to encourage and promote the formation of labour-management production committees.

When the war was over, it was recognized that many of the features of these committees would also be applicable in peacetime, especially in the reconversion to a peace-time economy.

In 1947, the work of encouraging organized labour and management to consider the possibilities of joint consultation was transferred to the Department of Labour, and the Labour-Management Co-operation Service was formed as a division of the Industrial Relations Branch of the Department.

## CHAPTER II

### Joint Consultation – The Philosophy

There are many different ideas about what joint consultation is, and how it can best be achieved. Workers like to feel that they count as individuals; and when they think they are being “pushed around”, they tend to resist co-operation. Those who support this view of joint consultation maintain that the workers’ confidence and willing co-operation can only be gained through persuasion — i.e., by explanation and consultation.

The need for such explanation and consultation is found in the “community” nature of industry. “If it is correct that an essential condition of co-operation is that people shall feel that they count, then it follows that it is within the workshop community that this feeling must be created. Joint industrial councils to promote ‘the progress and welfare’ of a whole industry are all very well, but they have no bearing whatever on this particular need. The feeling of counting is an individual and personal one, and it is in the domestic (i.e., local) life of the workshop that it must be satisfied. The roots of happy industrial relations lie in happy relations within the individual establishment. And these cannot be created by any general agreements for an industry as a whole, however good those may be . . . The problems are quite distinct. Consultation at industry level is concerned with general policy and with framing sound laws. Consultation at the individual establishment level should primarily be directed to making the



people who work there feel that they count as members of that community.”\* It is for these reasons that joint consultation has been most successful in individual plants.

Since the work place is essentially a community, therefore its “citizens” should be happy and interested in the welfare of that community. One of the principle aims of joint consultation is to give the worker a greater feeling of usefulness and participation in his industrial community.

Neither management nor labour were at first inclined to give much consideration to the idea that employees had a common interest with employers in the progress of the enterprise. The generally accepted theory of the employee-employer relationship was that wage rates and the employee’s other conditions of employment were determined by the employer on the economic factors of labour supply and demand. In return for these economic and other considerations, the employee did as he was told without question, and without any sense of participation in a common effort with management. Little consideration was given to the possibility that there might be reasons, or the need, for a broader approach to the problems that lie at the root of labour-management relationships. Before progress could be made in the direction of developing greater mutuality of interest between labour and management, some effective machinery for the settlement of these economic and other differences had to be worked out.

The system which was established, namely, collective bargaining, is based on the recognition of the right of employees to organize for their economic improvement, and to negotiate agreements with management providing for the rate of wages to be paid, hours of work, and other working conditions. Once this basic foundation for co-operation was laid, it then became possible for the two partners — labour and management — to look

---

\* *The Working of Joint Consultation*—(A publication of the British Industrial Administration Group)—An article by Sir Charles Renold, entitled “The Aim of Joint Consultation”.

beyond this advance to find where they could work together to solve problems of mutual interest and concern.

The form of joint consultation which has developed out of this recognition of mutuality of interest has been based on the fact that there are large areas where the interests of employees and employers are common. Joint consultation provides the machinery for discovering and developing these fields of common interest, just as the collective bargaining system provides the machinery to settle economic and other related differences which may exist between them.



## CHAPTER III

### Communication

Any oral or other expressive form of contact between individuals is, to some extent, communication. A nod to a neighbour, a cheerful hello, or a passing comment on the weather are all forms of communication. Whether or not these are *effective* forms of social communication is another thing.

Understanding is the basis of effective communication. Understanding cannot be attained through casual contacts but only through a continuing process of association. Effective communication is achieved when the *meaning* of what is said is understood by the listener. In other words, effective communication is obtained by a combination of listening, speaking, (or writing) and *understanding*.

It has been said that *true communication* is based on objective listening. "(We should not use) words . . . coloured by our own experience or prejudice; (we should not interpret) . . . the words of others according to our own individual beliefs and background. And here we run into the first great difficulty. When we are talking to others, we think we are talking the same language, but far too often we are not. We may be using the same words, but that is a very different thing."\*

People are not naturally objective listeners. We are more interested in our own ideas than those of others. The rapidly moving world we live in does not allow too much time for contact and

---

\* *The Need for Higher Standards*—by Howard Marshall—An article appearing in *The Bacie Journal* (Published by the British Association for Commercial and Industrial Education)—Vol. 4, No. 6—Nov/Dec (1950).

careful listening, and much of our communication is therefore on a hit or miss basis. The *true meaning* of what we say or hear is often obscured or lost.

There are other influences working against satisfactory communication. Different individual backgrounds, different word usage and customs, and a variety of organizational problems can hamper understanding, and make for poor communication.

Notwithstanding this difficulty in communication there is considerable evidence to indicate that older and narrower views of labour-management relationships are giving way to newer and more progressive ideas. These new ideas are based on the realization that labour and management have much in common, and that the welfare of an industry requires the willing participation of everyone engaged in it. It is also being recognized that employee satisfaction is a primary ingredient in the effective discharge of job responsibilities, and that any co-operative measures taken to obtain enhanced employee satisfaction will be helpful to the employee himself, to his industry, and to the larger community.

If this sort of participation is to be obtained those in authority in labour and industry must realize that successful communication is both a continuing process and a *joint* effort. Formerly it was thought that adequate communication between labour and management could be achieved if there was a clear-cut route for orders and information to pass from top to bottom. The need for an equally clear-cut upward channel was not so clearly seen and only recently has this important fact been recognized. As one authority puts it: "Much avoidable misunderstanding arises because those in authority forget that people at every level make some kind of response, in feeling if not in words, whenever a communication reaches them at all. This response should always be evaluated because it is potentially informative of objective facts, and always revealing of subjective attitudes."\*

---

\* *Effective Communication in Industry*—by Paul Pigors.

To help ensure the success of its internal communication facilities the individual industrial establishment should take full account of the various human patterns present in it. An important industrial objective is greater production at lower cost, and this can be achieved more readily when lines of communication are clear, and willing co-operation and team spirit exist between all levels of the organization.

What then is the relationship between joint consultation and communication? Basically, it is this. No matter how technically excellent the *method* of communication is, it will not succeed if labour and management do not trust one another. Successful and effective communication is largely a matter of understanding, a mutual appreciation of what is needed, and why, and a common determination to work together to achieve the objective. Joint consultation can help to establish this favourable atmosphere, and can be instrumental in working out an effective system of communication between management and the work force.

## CHAPTER IV

### Why Joint Consultation?

There are many good reasons for labour-management co-operation through joint consultation. Some of these reasons result from the needs and circumstances of the individual organization, while others are common to all labour-management relationships. In this latter group are the following:

- (1) Joint consultation is a way to improve labour-management relations. It is important for management and employees to understand one another's point of view.
- (2) Joint consultation makes it possible for everyone to participate in solving problems. This co-operation is helpful in developing a greater feeling of responsibility for, and participation in, the welfare of an enterprise.
- (3) Joint consultation increases the feeling of common purpose among employees at all levels.
- (4) Joint consultation provides a channel for production ideas and suggestions.
- (5) Joint consultation provides a safety valve. Many things which could become misunderstandings and develop friction are often brought to light and satisfactorily resolved through joint consultation.

The steady growth and expansion of many industries has made direct contact between employers and employees increasingly difficult. Contacts between management and workers are limited, and there is a need for some way to bridge the gap.

Mass production methods have also tended to isolate the individual employee from the final product by making him part of a specialized unit concerned only with one aspect of production. Joint consultation helps to bring these production units more closely together, and gives the worker a greater knowledge of the whole production process.

Joint consultation in this changing industrial scene has been described by one writer in these terms:

“The employer wants to feel that the workers are as interested in the factory as he is. When the only discussions which occur are centred around resistance to a new rate or to a change in schedule or work assignment, the atmosphere is not conducive to expressions of concern over the welfare of the firm. But the worker spends one-half of his waking time in the plant. Next to his home it is his most familiar environment . . . He wants to count as an individual. Years ago when labour began to organize, the leaders said: ‘We want a voice, we want to be citizens in industry.’ But the individual worker, following the principle of representation which democracy has evolved experiences some of the same difficulty in expressing his personality and acquiring a sense of participation in industrial life as he has in the political field . . . The worker wants the job itself to have content, to have meaning for him.

“Joint committees tap unexpected sources of both technical skill and social skill . . . men and women can develop social skills more readily when these are related to the work they are doing. The activities of labour-management committees cover such a wide range of interest, from safety and health work to improving the tool crib or devising a new jig or fixture, that more workers find opportunity for self-expression under committee operation than is otherwise the case.”\*

Co-operation and consultation between labour and management benefit both. The employee has an opportunity to become more aware of management’s problems, and management benefits from the co-operation and greater interest shown by the employee in the job he is doing. When intelligently handled joint consultation results in increased understanding and co-operation, and greater efficiency of operation.

---

\* *Labour and Management in a Common Enterprise*—Dorothea de Schweinitz pp. 169-170.

## CHAPTER V

### The Labour-Management Co-operation Service

The Government of Canada actively supports the promotion of greater co-operation and teamwork in industry through joint consultation. It has been recognized that it is in the national interest to foster good relations between management and labour, and the Labour-Management Co-operation Service, Industrial Relations Branch, Department of Labour, has been designated as the agency to promote labour-management co-operation through joint consultation.

Broadly speaking the functions of the Labour-Management Co-operation Service are the promotion, organization and servicing of joint consultative committees. This work is carried out by a staff of trained Industrial Relations Officers (Field Representatives) on a strictly advisory basis to management and labour.

Having the advantage of daily contacts with labour-management committees in all types of industries, both large and small, these officers are able to give helpful advice on the problems of organizing and operating a system of joint consultation.

The work of field representatives is not confined solely to the promotion and organization of labour-management committees. Equally important is the work they do in helping established labour-management committees to do a better job. They make periodic follow-up visits to all committees and their advice and guidance are available to labour and management when needed.

The Labour-Management Co-operation Service also prepares and distributes publicity material, research data, films and other



information. In addition a regular monthly bulletin, *Teamwork in Industry*, is distributed. *Teamwork in Industry* contains articles on the effectiveness and accomplishments of labour-management committees, on current theory and practice in the fields of industrial and human relations, and others which relate to various phases of joint consultation.

## CHAPTER VI

### The Labour - Management Committee

A labour-management committee brings together those responsible for planning and organizing work (management), and those responsible for doing it (labour). It is made up of representatives from union and management and provides an opportunity for greater co-operation, increased confidence, and continuing goodwill and understanding.

A labour-management committee works to bring about improved efficiency, better relations, better communications and more effective action on day-to-day problems as they arise. It acts only in an advisory capacity and has no power to direct.

A labour-management committee is not a cure-all for solving all the problems of an organization. Its effectiveness is directly connected with the general conditions in a plant. Satisfactory wages and hours of work, and physical environment have an important effect on the success or failure of a joint committee. For these reasons a well-established collective bargaining relationship is fundamental to the success of any committee.

Again, the extent to which management and labour are stimulated by their *desire* to co-operate will, in large part, determine the effectiveness of a labour-management committee. Co-operation has been defined as "coordinated behaviour". This is not sufficient as a definition of joint consultation. It ignores at least two important elements—*shared purpose* and *organization*. Both are essential to joint consultation.

In a labour-management committee each member, whether labour or management, is depended upon to contribute to the



over-all effort—whether this is a single definite task, or related to the committee's main objective of improving production and plant relationships.

The other basic element of a labour-management committee—organization—may be very detailed and complete, or quite informal—perhaps even improvised. But wherever there is co-operation through joint consultation, there should be some degree of organization. There are no hard and fast rules as to the manner of organizing a labour-management committee. Each individual company will have situations peculiar to its own organization, and these will be the factors determining the type of committee best suited to the needs of the situation.

There are, however, certain fundamental attributes necessary to successful joint consultation. Included among these are shared purpose, co-ordinated behaviour, willingness, knowledge, technical ability and guidance.

There must also be a sincere desire at all levels—both labour and management—to make a labour-management committee a useful instrument for improving relationships and general efficiency. It should be generally realized that the success or failure of a committee is, in a way, a reflection of the success or failure of each person in the organization. No matter how small a part the individual fills in an establishment he should be able to share in the general satisfaction of a well-executed team effort. The success or failure of the committee depends on the whole plant community.

General employee-management interest is important to good relations and efficient operation. Better results, in both the quality and quantity of production, will result from a relationship where labour and management fully understand the techniques of their assigned jobs, and their individual relationship to the over-all production process.

## CHAPTER VII

### Union and Management in Joint Consultation

Before a decision is made to establish a joint committee, representatives of labour and management should carefully study what they hope to achieve in doing so. This study, made both jointly and separately, should involve a frank appraisal of all the reasons justifying their proposed course of action.

The purpose of setting up a committee should be discussed in a spirit of friendly co-operation. In this way a more solid foundation is laid for the future success of the committee. If the right spirit prevails from the beginning, the committee will have a better chance of succeeding in its purpose. The committee is a *joint* undertaking and co-operation should be the watchword at all times.

It should also be emphasized that a joint committee is neither a management plan to weaken union influence, nor a labour plan for taking over management functions. It is not a bargaining agency or a grievance committee. Wages, hours, working conditions and related matters should be dealt with through the regular collective bargaining procedures.

Once a joint committee has been set up the representatives chosen by management and labour should discuss committee matters in a spirit of mutual understanding and confidence. They must try to understand each other's position and viewpoint, and keep an open mind during discussions.

From the beginning everyone concerned should be thoroughly informed as to the purposes of joint consultation and why it is desirable. Management, for example, should make certain that its

supervisory staff and intermediate management are so informed, and understand the functions of the committee. The willing and wholehearted co-operation of this group is vital to its success.

Supervisors actually represent management to the working force and the responsibility for day-to-day interpretation of management policies is in their hands. The supervisors' function of giving orders and seeing that they are properly carried out puts them in a position of key responsibility. It is very desirable that any plans for a labour-management committee include provision for representation from the supervisory group.

The union as representing labour in the committee can play its part by educating its members in joint consultation, and by urging them to give all possible support to the committee and its activities. In some respects the union stewards occupy a parallel position in the union to that of the supervisor in management. Their co-operation and participation in the work of the committee can help immeasurably towards ensuring its success.

It is desirable that as few limitations as possible be imposed on the committee. If, for any reason, limitations are imposed these should be known, clearly understood, and agreed upon from the outset, such as, for example, the understandings that the committee is not to be used for collective bargaining purposes and that it functions in an advisory capacity to management.

It is suggested that when considering its part in the joint consultation effort management should recognize several obligations it will have to assume. It must be prepared to accept these obligations from the outset, otherwise the committee's success may be in danger. These are:

- (1) to give full, prompt, and careful consideration to all committee recommendations,
- (2) to provide adequate explanations when recommendations are not accepted,
- (3) to choose committee representatives who have a good knowledge of company policy *and* the necessary authority to take firm positions on matters raised during discussion,

- (4) that the committee is not to be used as a means to control labour or to lessen the influence of the union in its legitimate sphere of action.

The union, and its representatives on the committee, must also recognize and accept these obligations:

- (1) to co-operate fully in all phases of committee activity,
- (2) to give all possible help to put into effect recommendations of the committee accepted by management,
- (3) to recognize that the committee is not a device to weaken or usurp management functions,
- (4) to choose the best possible representatives for the committee,
- (5) not to use the committee as a forum to air grievances which should properly be handled under the established collective bargaining procedures.

INDUSTRIAL RELATIONS BRANCH  
Labour-Management Co-operation Service

BRANCHES AT:

1 Havelock St.,  
AMHERST, N.S.

Cor. des Forges Rd.  
3rd Ave.,  
Ste-Therese Mission,  
P.O. Laverendry,  
THREE RIVERS, P.Q.

Room 607,  
10 John Street S.,  
HAMILTON, ONT.

441 University Ave.,  
WINDSOR, ONT.

Rooms 408-411,  
685 Cathcart St.,  
MONTREAL 2, P.Q.

Room 505,  
266 Graham Ave.,  
WINNIPEG 1, MAN.

Room 304, Strand Bldg.,  
TORONTO 1, ONT.

701-1110 West Georgia,  
VANCOUVER 5, B.C.

DEPARTMENT OF LABOUR

OTTAWA





EDMOND CLOUTIER, C.M.G., O.A., D.S.P.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1958